

## Message Text

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ACTION AGRE-00

INFO OCT-01 EA-10 ISO-00 EB-08 COME-00 TRSE-00 OMB-01  
STR-07 ITC-01 CIAE-00 INR-10 NSAE-00 CTME-00  
JUSE-00 L-03 /041 W  
-----118875 050732Z /14  
P 050721Z APR 78  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC PRIORITY 6795

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PASS AGRICULTURE

E.O. 11652:NA  
TAGS:EAGR, ETRD, JA  
SUBJECT; PEANUT QUOTA

REF: (A) TOFAS 174, (B) FASTO 155, (C) FASTO 183,  
(D) TOKYO 5126

1. SUMMARY. DURING MEETING TO CONVEY OUR CONCERN WITH JAPANESE PEANUT QUOTA REDUCTION, MAF OFFICIALS AGAIN CITED DECLINING DEMAND AS CAUSE FOR REDUCTION AND DEFENDED QUOTA SYSTEM AS NECESSARY TO PROTECT DOMESTIC GROWERS. THE TRADITIONAL TRADE/GOVERNMENT COALITION FORMS DIFFICULT FRONT TO PENETRATE. END SUMMARY.

2. CONCERN ABOUT JAPANESE PEANUT QUOTA REDUCTION CONVEYED TO KOJIMA, SENIOR COUNSELOR, FOOD PRODUCTION BUREAU, MAF.

3. KOJIMA AND STAFF AGAIN EXPLAINED THAT QUOTA DURING FIRST HALF OF PEANUT MARKETING YEAR BEGINNING OCT. 1 REDUCED BECAUSE OF DECLINING DEMAND RESULTING FROM ECONOMIC RECESSION. WHILE QUOTA LEVEL HAS NOT BEEN DETERMINED FOR SECOND HALF OF YEAR ENDING SEPT. 30, KOJIMA BELIEVES  
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IT UNLIKELY QUOTA IN SECOND HALF WILL BE INCREASED SUFFICIENTLY TO OFFSET THE 20 PERCENT OCT.-MARCH REDUCTION.

4. QUOTA DEFENDED BY KOJIMA AND STAFF AS NECESSARY TO PROTECT DOMESTIC PEANUT PRODUCERS, POINTING OUT THAT QUOTA SYSTEM IS ONLY MECHANISM USED TO SUPPORT PRODUCER PRICES. THEY EXPLAINED FURTHER THAT DOWNWARD QUOTA

ADJUSTMENTS BY MAF NECESSARY EVEN IF DEMAND DOES NOT  
SUPPORT HIGHER LEVEL OF TRADE AS IMPORTERS WOULD IMPORT  
FULL QUOTA ALLOCATIONS FOR FEAR OF LOSING RIGHT TO  
UNFILLED PORTIONS IN SUBSEQUENT QUOTA PERIODS.

5. AGATTACHE POINTED OUT THAT JAPANESE PEANUT QUOTA BECOM-  
ING AN ISSUE OF INCREASING CONCERN IN THE UNITED STATES  
BECAUSE OF CURRENT PRESSURES TO PURSUE ALL AVENUES IN  
REDUCING THE OVERALL TRADE BALANCE FAVORING JAPAN. A  
MEMBER OF KOJIMA'S STAFF REPLIED THAT U.S. ALSO HAD PEANUT  
IMPORT QUOTAS AND AGATTACHE RESPONDED THAT U.S. QUOTAS  
PERMISSIBLE UNDER ARTICLE 11 OF GATT WHILE JAPAN'S QUOTA  
IS NOT SANCTIONED BY GATT.

6. LOCAL PEANUT IMPORTERS ARE OBVIOUSLY BEING KEPT  
CLOSELY INFORMED BY MAF OF OUR CONTACTS. IMPORTERS,  
CONCERNED THAT A SACRED ARRANGEMENT IS BEING QUESTIONED,  
ARE CALLING AT AGATTACHE'S OFFICE REGULARLY TO EXPLAIN  
TRADITIONAL FRIENDLY WORKING RELATIONSHIP AND UNDERSTAND-  
INGS BETWEEN JAPANESE IMPORTERS AND U.S. PEANUT EXPORTERS.

7. MAF OFFICIALS CONSIDER IMPORT QUOTA SYSTEM ESSENTIAL  
TO DOMESTIC PEANUT SUPPORT PROGRAM AND ARE THEREFORE  
RESISTANT TO CHANGES IN QUOTAS OR QUOTA SYSTEM. THE MAF  
POSITION IS SUPPORTED BY QUOTA HOLDERS AND THIS TRADITIONAL  
COALITION TOGETHER WITH THE "SYMPATHETIC UNDERSTANDING"  
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BY SOME ON THE U.S. SIDE CONSTITUTES THE BARRIER TO  
EXPANDED PEANUT IMPORTS INTO JAPAN.MANSFIELD

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** IMPORTS, PEANUTS  
**Control Number:** n/a  
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**Draft Date:** 05 apr 1978  
**Decaption Date:** 01 jan 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978TOKYO05684  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 TOKYO 5126  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
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**TAGS:** EAGR, ETRD, JA, US  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014